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LOAN BROKER CHARGED IN \$15 MILLION SCHEME TO DEFRAUD THE EXPORT-IMPORT BANK OF THE UNITED STATES

WASHINGTON – A loan broker from the Philippines has been charged in connection with a \$15 million scheme to defraud the Export-Import Bank of the United States (the Ex-Im Bank), Acting Assistant Attorney General of the Criminal Division Matthew Friedrich and U.S. Attorney for the District of Columbia Jeffrey A. Taylor announced today.

A federal grand jury in the District of Columbia returned a nine-count indictment earlier today against Bettina Balderrama, a/k/a Bonnie Balderrama, 57, of Manila, Philippines. The indictment charges that Balderrama brokered approximately \$15 million worth of fraudulent loan transactions between companies located in the Philippines and U.S. lending banks, in which the Ex-Im Bank acted as guarantor or insurer.

The Ex-Im Bank, an independent agency of the United States, is the official export credit agency of the United States and issues loan guaranties and insurance to U.S. banks on behalf of creditworthy foreign companies for the purpose of purchasing U.S. goods. Once the Ex-Im Bank issues a loan guaranty or insurance policy, if the foreign borrower defaults on its loan repayments to a lending bank, the Ex-Im Bank pays the amount of the outstanding loan to the lending bank.

According to the indictment, between December 2001 and October 2004 Balderrama identified companies in the Philippines that wanted to borrow money to purchase U.S. goods and lending banks in the United States that would lend money for the purpose of buying U.S. goods. Balderrama then assisted the borrowers in executing loan agreements with the lending banks and in obtaining loan guaranties or insurance policies from the Ex-Im Bank as part of the loan agreements. The indictment alleges that Balderrama recruited a U.S. exporter, Cristina Song, for the purpose of purchasing U.S. goods and shipping those goods to the Philippine borrowers, and then instructed Song to prepare false shipping documents and submit those false documents to the lending banks to make it appear that she had purchased and shipped goods. The indictment alleges that Song did not purchase the goods called for in the loan agreements, and instead misappropriated a majority of the loan proceeds and sent large portions of those proceeds to bank accounts owned and controlled by Balderrama and other foreign bank accounts as directed by Balderrama.

Balderrama has been charged with one count of conspiracy to defraud the United States and to commit offenses against the United States; three counts of submitting false statements to the Ex-Im Bank; one count of conspiracy to commit money laundering; three counts of money laundering; and one count of obstructing a proceeding before a department and agency of the United States. If convicted, Balderrama faces a maximum sentence of five years in prison on the conspiracy charge; five years in prison on each of the false statement charges; 20 years in prison on the money laundering conspiracy charge; 10 years in prison on each of the money laundering charges; and five years in prison on the obstruction charge. The indictment also seeks forfeiture from Balderrama of the misappropriated loan proceeds.

Song, 50, of Whittier, Calif., an alleged co-conspirator of Balderrama, entered a guilty plea on Nov. 16, 2007, in U.S. District Court for the District of Columbia before Judge Richard W. Roberts, to a two-count information charging her with one count of conspiracy to defraud the United States and one count of mail fraud. Song was sentenced on Oct. 2, 2008, to 37 months in prison and three years of supervised release, and was ordered to forfeit \$300,000 and pay restitution of more than \$12 million to the Ex-Im Bank.

This case is part of a broader investigation into an \$80 million scheme to defraud the Ex-Im Bank between November 1999 and December 2005. To date, eight individuals – Song, Daniel Curran, Edward Chua, David Villongco, Robert Delgado, Edward Javier, Jaime Galvez and Carlos Serrano – have pleaded guilty or have been convicted at trial of charges related to their involvement in the fraud scheme. Curran was sentenced on April 23, 2008, to 41 months in prison; Chua was sentenced on May 14, 2008, to 37 months in prison; Villongco was sentenced on Feb. 29, 2008, to 33 months in prison; Delgado was sentenced on Oct. 5, 2007, to 24 months in prison; Javier was sentenced on July 18, 2008, to six months in prison; and Galvez was sentenced on Jan. 7, 2008, to 12 months in prison. Serrano was convicted by a federal jury in Los Angeles on Sept. 18, 2008, of conspiracy to commit bank fraud and bank fraud. Serrano's sentencing is scheduled for Jan. 26, 2009.

In addition, four other individuals – Marilyn Ong, Ildefonso Ong, Nelson Ti and Joseph Tirona – have been indicted by a federal grand jury in the District of Columbia for their alleged involvement in the scheme.

The cases are being prosecuted by Trial Attorney Hank Bond Walther of the Criminal Division's Fraud Section and Michael K. Atkinson, Assistant U.S. Attorney for the District of Columbia. These cases are being investigated by the U.S. Postal Inspection Service's Los Angeles Division and the FBI's Washington Field Office.

An indictment contains only allegations and defendants are innocent unless and until proven guilty.

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